

the Congress to take emergency action quickly.

Mr. President, I ask unanimous consent that the letter from the President be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,  
Washington, July 15, 1998.

Hon. THOMAS A. DASCHLE,  
Minority Leader, U.S. Senate,  
Washington, DC.

DEAR MR. LEADER: I am very concerned about the financial stress facing farmers and ranchers in many regions of the country. Natural disasters, combined with a downturn in crop prices and farm income, expected by the Department of Agriculture (USDA) to remain weak for some time, cause me to question again the adequacy of the safety net provided by the 1996 farm bill. In some areas of the U.S., as many as five consecutive years of weather and disease-related disasters have demonstrated weaknesses in the risk protection available through crop insurance.

During the debate on the 1996 farm bill, I encouraged Congress to maintain a sufficient farm safety net, and since its enactment my Administration has repeated that call, proposing measures to buttress the safety net that are consistent with the market-oriented policy of the 1996 farm bill. The 1994 Crop Insurance Reform Act established a policy of improving the crop insurance program in order to remove the need for ad hoc disaster payments. This commitment to crop insurance as the preferred means of managing crop loss risks was reaffirmed in the 1996 farm bill. Farmers have responded to this policy by maintaining their enrollment in crop insurance at very high levels, especially in the Northern Plains states.

Therefore, I am instructing the Secretary of Agriculture to redouble his efforts to augment the current crop insurance program to more adequately meet farmers' needs to protect against farm income losses. In the interim, to respond to the current unusual situations, I urge the Congress to take emergency action to address specific stresses now afflicting sectors of the farm economy.

I agree with the intent of Senator Conrad's amendment and recommend that funding to address these problems be designated as emergency spending. A supplemental crop insurance program for farmers who experience repeated crop losses, a compensation program for farmers and ranchers whose productive land continues to be under water, and extended authority for the livestock disaster program are examples of the type of emergency actions that could help farmers and ranchers.

It is also crucial that the Congress provide the level of funding proposed in my FY 1999 budget in the regular appropriations bills and that the Congress pass the full IMF package to support the efforts of American farmers.

I am confident that you and your colleagues share my concern for American farmers and ranchers who are experiencing financial stress from natural disasters and low prices, exacerbated by the global downturn in agricultural trade, and I encourage the Congress to take emergency action quickly.

Sincerely,

BILL CLINTON.

Mr. CONRAD. Mr. President, I say to my colleagues, I will relinquish the floor at this point and await the word from the Budget Committee. We are expecting it momentarily. So I relinquish

the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. COCHRAN. Will the Senator withhold the request?

Mr. CONRAD. I am happy to.

Mr. COCHRAN. I say to the distinguished Senator from North Dakota, I appreciate very much his going forward and offering this amendment. We have been discussing the amendment and the problems that he identifies as emergency problems because of drought and other problems throughout the agricultural sector. We are very sympathetic to these problems and the need for Congress and the President and the Department of Agriculture to act in a positive way and in an effective way to address these problems and to try to help solve them.

We have been advised there may be a problem with the Budget Act in getting an amendment, as drafted, approved in the Senate without having the amendment subject to a budget point of order. We have discussed this with the chairman of the Budget Committee. And there are other Senators with whom we have discussed the problem as well.

There is a lot of concern on both sides of the aisle that we have a bill for agriculture appropriations that takes into account all of the problems we have in the country, and that we respond in a thoughtful way. We are continuing to work on this issue. I want Senators to know that I hope we get it resolved so we can approve an amendment of some kind to provide relief, such as that sought in the amendment of Senator CONRAD.

But while we await further negotiations on this subject, I agree with the Senator that we probably should suggest the absence of a quorum. Some Senators are away from the Capitol right now who want to be involved in this discussion. I expect we will be able to make progress on it in the early part of the afternoon.

If there are other amendments that can be offered by Senators, we would encourage Senators to come to the floor to offer those amendments. We could set aside this amendment for that purpose to receive other amendments. And some of them may be agreeable. We are willing to work with all Senators. We appreciate the assistance we have had from many today indicating a willingness to reach agreement on proposed changes to the bill. I am hopeful we can complete action on the bill today, and I pledge to Senators that I will work very hard to try to help make that a reality.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HAGEL). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### HEALTH CARE

Mr. GRAMM. Mr. President, I notice no one is on the floor debating this bill, so I thought I would take the opportunity to say a little bit about health care. I understand our President has come to Capitol Hill today to tell us about how, having rejected his proposal to take over the health care system 4 years ago, we now ought to join the President and Senator KENNEDY in letting the Government tell us how to run that health care system. Obviously, we are always flattered when the President comes to Capitol Hill to talk to us, to tell us about his views.

I want to make a couple of things clear. Yesterday, we offered the Republican alternative. The Republican health care proposal is superior in a lot of ways, but there are several ways that I think are very important. No. 1, we don't preempt States in those areas where they have already acted to deal with problems in providing health care. We differ with the President and with Senator KENNEDY in that we don't believe we know more about the interest of each individual State than their Governor and their State legislature do. What we do in our alternative proposal is deal with the parts of the problem that the Federal Government has jurisdiction over.

I notice the President and some of our colleagues made a big point out of the fact that their bill affects 140 million people, whereas our bill affects a smaller number. Why is that? The reason our bill affects a smaller number is, in those areas where the States have the power to deal with their own medical problems, we don't get involved in telling them how to do it. In those areas where they don't have jurisdiction because of ERISA, then we step in and try to deal with the problem.

We differ with the President on the whole issue of how to deal with the denial of services. The President says we can improve the situation by taking it to court. The President and Senator KENNEDY say it is indispensable that we give people the power to sue. We think there is a better way. We think the better way is setting up an appellate process on an expedited basis, both internal and external, to an HMO so that people can get a resolution. What happens when you take it to court is that it really does not solve the problem that you are trying to deal with. It may, after the fact, put money—most of it in the hands of a lawyer, maybe some of it in the hands of the patient.

I assert that when a mother has a sick baby she wants medical attention for the infant. She doesn't want the ability to go out and hire a lawyer and go to court and 2 years later get a judgment when it is too late to deal with the health care concerns of her baby. We believe we need to get a resolution in 72 hours on those issues rather than

going into court, exploding the cost of health care, and denying millions of Americans their right to health care.

We also believe in freedom. Here is the problem as stated very simply. We have a situation today where there is only one part of our health care system where anybody has any incentive to control cost. That is in the health maintenance organization, the HMO. Twenty years ago, very few people, outside of a very small number of States, were enrolled in HMOs. In the last 25 years, we have had an explosion of enrollment because the cost of health care has literally skyrocketed. The positive effect has been that for the first time since 1965 we have brought the cost of medical care and its growth below the Consumer Price Index. For the first time since 1965, we are not pricing blue-collar working families in America out of the health care market. That is the good news.

The bad news is that a lot of Americans are unhappy about a system where they have to get approval from the HMO in order to get certain kinds of treatment. I liken it to the situation where you go into the examining room and you expect to be in the examining room with only your physician and you find that you have a gatekeeper in the examining room with you.

Now, Senator KENNEDY's solution, President Clinton's solution, is to put a government bureaucrat and a lawyer in the examining room with the gatekeeper, with your doctor, and with you. That way, the government bureaucrat can be there to regulate the gatekeeper and the lawyer can be there to sue the doctor.

We believe there is a better solution. The better solution is something we call medical savings accounts.

I have two cards here. One is from the Mellon Bank. It is a medical savings account on MasterCard. The other is with American Health Value, and it is a medical savings account on Visa. How the medical savings account will work is, for the first time it will empower the individual family to make their own health care decisions and to control cost. How will it do that? It will do it in the following way: Say today that your family has a Blue Cross-Blue Shield policy, family of four, and that Blue Cross-Blue Shield policy costs \$4,000 a year. If they had standard option, Blue Cross-Blue Shield, that would be about the average cost. That Blue Cross-Blue Shield policy gives you very low deductibles. Under the medical savings account, you would buy the Blue Cross-Blue Shield policy with a \$3,000 deductible and it would cost about half as much as it costs now. You would take the \$4,000 that your employer is currently spending, \$2,000 would buy the high-deductible insurance policy and \$2,000 would go into your medical savings account. Then, you would take the \$1,000 that is typically spent annually on premiums and deductibles and deposit that in the medical savings account, adding it to

the \$2,000 contributed by the employer. Then you would make the health care decisions on when and how to spend that first \$3,000 of health care. After meeting that deductible, your health insurance policy would kick in and cover all remaining costs.

Now, there are two things that are very important about this program. One is, you have an incentive to be cost conscious; the other is, you are in charge.

Under Senator KENNEDY's proposal and under the President's bill, if you call up the gatekeeper and you can't get to see your doctor, you can then call a government bureaucrat and you can talk to him, he talks to the gatekeeper, and then if you can't see your doctor, then you can call a lawyer, who will talk to the Government bureaucrat and the gatekeeper, and he might file suit, and 2 years from now you might get a resolution. That is the Kennedy-Clinton alternative.

Here is our alternative: When you want to see your doctor, under the medical savings account, you pick up your card and you pick up the phone and you make the decision: Do you need a general practitioner? Is it an OB/GYN? Should you call a pediatrician? Is it Dr. Frist, who does heart and lung surgery? You pick up the Yellow Pages, you call the doctor of your choice, and you have to ask only one question—not, "Is it approved?" or, "Are you at our point-of-service option?" Your simple question is, "Doc, do you take Mastercard or Visa, or do you take a check?" If he takes Mastercard, Visa, or a check, you walk into the doctor's office and you make the choice for yourself.

Now, which would you rather have? Would you rather be alone with your doctor in the examining room, where you are in control, because you have the ability to give him your medical savings account credit card, without anybody saying "yes," "no," or "maybe"? Or would you rather go into the examining room with your doctor, with the gatekeeper from the HMO, with a Federal bureaucrat, and with a lawyer? I think most Americans would rather do it themselves. They want to get everybody out of the examining room, except their doctor. They want the freedom to choose.

The Republican health care bill gives them the freedom to choose, because it empowers them.

Now, as I said yesterday, Senator KENNEDY and the President are as afraid of this credit card, this Mastercard and this Visa, they are as afraid of these cards as a vampire is afraid of a cross. They fear these cards because they fear choice, because they know that if we empower families to make their own health care decisions, they will never, ever tolerate the Federal Government taking over and running the health care system. And we know that, deep in their hearts, the President and Senator KENNEDY want the Government to take over and run

the health care system, and they want the Government to run the health care system because they "feel our pain," and they believe that the Government could do it better. They know that if they could make everybody go to a Government-run health care system, it would all work better, and that the Government would be caring, and that a Government that does not work well in any other area of our lives would be magic in health care. And so they give us the alternative, which is to regulate HMOs so that they can't control costs, so that then we can have one HMO—the Government HMO—and it, of course, will control costs, because when it says "no," you have nowhere else to go.

I do think it is an incredible paradox that the same people who, 4 years ago, wanted to put every American family into a Government-run HMO, where the government would have had absolute authority to say "yes" and "no," now they want to tell private HMOs how to be run, and they suddenly are concerned that HMOs have too much power.

We have an alternative, and the alternative is to take the power away from HMOs and give it to families. Let families have medical savings accounts so that they can determine which doctor they go to see and they can decide when they go.

Finally, I want to respond to two charges that are made by the Democrats against medical savings accounts. The first one is that they are for rich people. Well, why would rich people need or want high-deductible insurance? They can buy any insurance they want. But if you cut the cost of health insurance in half, you let working families, for the first time, have coverage for those expenses when they have to go to the hospital, or when something terrible happens. Working families can begin, over the years, to build up their medical savings account until they have the same kind of coverage everybody else has. Medical savings accounts cut in half the cost of the insurance you really need and have to have. That is not for rich people, that is for working people.

Secondly, the charge is made that only people who are healthy will go into medical savings accounts. I think exactly the opposite is true. If you have a chronic health problem, do you want to go to an HMO where some gatekeeper makes the decision about your health care? It seems to me that if you have a chronic health care problem and any morning you might wake up with a life-threatening illness, you would much rather be in a position, instead of calling the gatekeeper, the Government, a lawyer, or a Government bureaucrat, to call up a doctor and say, "I would like to come in. Do you take Mastercard or Visa?"

So I think we have a very clear choice, and we are ready to vote. We are glad the President has come to Capitol Hill to tell us, once again, that he knows what is best for our health

care. Four years ago, he told us he wanted the Government to take over and run the health care system, and we listened with respect and reverence, and we said "No," and the American people said "No," with an expletive in front of the "no."

Now the President is telling us, 4 years later—he appears before Government employee groups and says, "I haven't changed my mind; I still want the Government to take over and run the health care system, only we have to do it one step at a time." It seems that he believes the next step is to let the Government run the HMOs. How does he think that make the patient better off? Well, it presumably makes the patient better off because when we go into the examining room with the doctor and the gatekeeper, a Federal bureaucrat and a lawyer will now join us. I don't think that is what people want. People want to be alone in the examining room with their doctor.

The Republican plan, which empowers the family to decide, puts only the patient and the doctor in the examining room. It throws out the Government bureaucrat, it throws out the lawyer, it throws out the gatekeeper, and it replaces all of that mechanism of Government bureaucracy with one simple question: "Do you take Mastercard, or do you take Visa, or do you take a check?" If the answer to any of those questions is "yes"—and it will be yes to all three—then you go to the doctor of your choice.

That is our alternative. It is a better alternative. That is why we are going to defeat the President and Senator KENNEDY once again. The American people do not want a Government-run or a Government-controlled health care system, and we can give them an alternative. The alternative is freedom.

Once again, America is at a crossroads. We are going to have to choose. Do we believe the solution to our problems in medicine will be found with more Government interference, with more time in court, with more time working under the control of Government bureaucrats? Or do we believe the solution is to be found in freedom? Well, I am going to bet the future of my family and the future of the 19 million people in Texas, who hired me to represent them in the Senate, on freedom because I know freedom works, and I know something else—I know Government does not work.

Four years ago, the American people didn't want Government to run the health care system, and today they don't want Government to control the health care system. So Republicans and Democrats agree on one thing: There are problems in the health care system. But where we disagree is, we want to empower families with innovations like medical savings accounts, and the President and Senator KENNEDY want to empower the Federal Government. That is the choice. It is a clear choice.

I yield the floor.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The Senate continued with the consideration of the bill.

Mr. DORGAN. Mr. President, in a few minutes Senator CONRAD from North Dakota will send an amendment to the desk on behalf of himself and myself and some others that will deal with an indemnity program, an amendment that I think he has already described to Members of the Senate. I think this is one of the most important amendments we will vote on on this bill while it is on the Senate floor.

I want to just describe again, as I think my colleague has and I have on other occasions, what causes us to feel the need and the urgency to respond to an agricultural crisis. The agricultural crisis is occurring in a number of States in our country in a way that is causing family farmers to lose their farms, to have the auction sales, to sell out and lose their hopes and dreams. We feel that because of collapsed prices and rampant crop disease, and other things which are not the farmers' fault, that we ought to do something to extend a helping hand and say to them that we want to help them over this tough period.

I would like to show my colleagues a map that describes the problems we have had in North Dakota for family farmers. The red represents counties that have been declared disaster areas every year for 5 straight years. All of these counties have been declared disasters every year for 5 years in a row. That means if you are farming here, or here, any one of these areas, you have been out there farming in an environment and in a climate in which there is, in most cases, a devastating wet cycle with you being prevented from planting because the fields are full of standing water that has not left and has not absorbed, and if you did get a crop in, you have had it devastated by the worst crop disease in this century in North Dakota.

The orange have been declared disaster areas for 4 years out of 5 years, and the yellow, 3 years out of 5 years. The farmers in these areas have confronted a disease called scab. This picture doesn't mean much to a lot of folks. But it is the picture of a field of hard red spring wheat infested with scab disease. It is called fusarium head blight.

But it is a devastating disease that decimates the quality of this crop, so that when and if the farmer gets a crop and hauls it to market, the farmer discovers it is worth very, very little.

The cereal scientist, Bryan Steffeson, said, "I have never faced anything as tough as fusarium head blight. Make no mistake about it. This is the worst plant disease epidemic that the United States has faced with any major crop during this century."

This is very unusual and devastating to the pocketbooks of family farmers.

With respect to wheat, I just described the previous chart; with respect to barley, the same plant scientist says, "North Dakota's barley industry is hanging by a thread, even though it is typically the leader in feed malting barley products."

As a result of crop disease and collapsed market prices, our farmers' incomes in North Dakota dropped 98 percent in 1 year—a devastating drop in income. And I think almost anyone can imagine if, in their neighborhood, or on their block, or among their friends, they had a 98-percent drop in income, they would understand this is very, very difficult to live through. A lot of family farmers aren't able to survive it. The result is they are forced off the farm and forced to sell out.

This was in the New York Times accompanying a story on July 12. "Across the northern tier, farmers' income drops." And it says we have a problem with farm income dropping in Montana, North Dakota, South Dakota, Nebraska, Minnesota, Wisconsin, and elsewhere. The point of that is that this is a pervasive, difficult problem that requires an urgent response.

The Fargo Forum in an editorial yesterday indicates that, "The crisis in farming is for real. The social and economic damage piling up in farm country cannot be minimized. Politicians who believe the revolutionary Freedom to Farm law is working should spend some time in rural America, especially in the upper Midwest."

This is a paper, incidentally, that has editorialized in favor of the Freedom to Farm bill. They say that it needs some adjustments and changes. You can't ignore that.

They say at the end of this editorial, "The least Congress can do now, while in the longer term enlighten lawmakers to revisit and revise the Freedom to Farm, is to try to pass some type of supplemental legislation that would respond to urgent needs for some payments in farm country."

A number of us, led by Senator CONRAD, and joined by myself and others, have worked on a program that would provide the opportunity for some indemnity payments, which is just another way of saying those farmers who have had their income washed away would be given some short-term interim help with the passage of this amendment. The amendment would provide up to \$500 million for the Indemnity Payment Program.